

**Notice of Allowability**

Application No.

09/767,418

Examiner

Alan Cross

Applicant(s)

SIMON ET AL.

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. ☒ This communication is responsive to 1/23/2006.
2. ☒ The allowed claim(s) is/are 1-7, 13-37, 43-60, 66-75 renumbered 1-60.
3. ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
  - a) ☐ All b) ☐ Some\* c) ☐ None of the:
    1. ☐ Certified copies of the priority documents have been received.
    2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
    3. ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

\* Certified copies not received: \_\_\_\_\_.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.  
**THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.**

4. ☐ A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
  5. ☐ CORRECTED DRAWINGS ( as "replacement sheets") must be submitted.
    - (a) ☐ including changes required by the Notice of Draftsperson's Patent Drawing Review ( PTO-948) attached
      - 1) ☐ hereto or 2) ☐ to Paper No./Mail Date \_\_\_\_\_.
    - (b) ☐ including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date \_\_\_\_\_.
- Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).
6. ☐ DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

**Attachment(s)**

1. ☒ Notice of References Cited (PTO-892)
2. ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3. ☐ Information Disclosure Statements (PTO/SB/08), Paper No./Mail Date \_\_\_\_\_
4. ☐ Examiner's Comment Regarding Requirement for Deposit of Biological Material
5. ☐ Notice of Informal Patent Application
6. ☐ Interview Summary (PTO-413), Paper No./Mail Date \_\_\_\_\_
7. ☒ Examiner's Amendment/Comment
8. ☒ Examiner's Statement of Reasons for Allowance
9. ☐ Other \_\_\_\_\_

XUAN M. THAI

SUPERVISORY PATENT EXAMINER

## **DETAILED ACTION**

### **EXAMINER'S AMENDMENT**

An examiner's amendment to the record appears below. Should the changes and/or additions be unacceptable to applicant, an amendment may be filed as provided by 37 CFR 1.312. To ensure consideration of such an amendment, it MUST be submitted no later than the payment of the issue fee.

Authorization for this examiner's amendment was given in a telephone interview with Michael Curtis on September 9, 2006.

This application has been amended as follows:

Claim 1 line 30 after "has concluded" insert the following: -- ; and wherein at least one of said betting events has a hierarchal pari-mutuel style payoff tree structure, said hierarchal pari-mutuel style payoff tree structure comprising: said hierarchical betting event having at least two primary outcomes, at least one of said primary outcomes in said hierarchical betting event having at least two secondary outcomes, such that whenever one of said secondary outcomes is a winning bet, one of said primary outcomes is also a winning bet, and wherein winning bets placed on said secondary outcomes receive a higher pari-mutuel style payoff than winning bets placed on said primary outcomes; wherein at least one of said secondary outcomes in said hierarchical betting event has at least two tertiary outcomes, such that whenever one of said tertiary outcomes is a winning bet, one of said secondary outcomes and one of said primary outcomes are also a winning bet, and wherein winning bets placed on said

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tertiary outcomes receive a higher parimutuel style payoff than winning bets placed on said secondary outcomes; wherein at least one of said tertiary outcomes in said hierarchical betting event has at least two quaternary outcomes, such that whenever one of said quaternary outcomes is a winning bet, one of said tertiary outcomes, one of said secondary outcomes, and one of said primary outcomes are also a winning bet, and wherein winning bets placed on said quaternary outcomes receive a higher parimutuel style payoff than winning bets placed on said tertiary outcomes; wherein each said hierarchical payoff in said hierarchical betting event is share  $(n, \ell_m)$  determined through step-wise application of a recursive algorithm to said hierarchical payoff tree structure, said recursive algorithm being

$$\left[ \left[ \frac{\text{share}(n, \ell_k) = [\text{share}(n, \ell_{k-1}) [\text{subbets}(\ell_k) + \text{Bonus}(\ell_k)]] +}{[\text{bets}(\ell_{k-1}) + \text{subbets}(\ell_{k-1}) + \text{Bonus}(\ell_{k-1})] + \text{wager}(n, \ell_k)} \right] \right]$$

$$\text{share}(n, \ell_k) = [\text{share}(n, \ell_{k-1}) [\text{subbets}(\ell_k) + \text{Bonus}(\ell_k)]] + [\text{bets}(\ell_{k-1}) + \text{subbets}(\ell_{k-1}) + \text{Bonus}(\ell_{k-1})] + \text{wager}(n, \ell_k)$$

wherein

$\ell_k$  is the outcome whose sub-outcome is  $\ell_{k-1}$ ,

k takes values 1, 2, 3 . . . m,

m is the number of branches outcome,  $\ell_0$  is from a base of said hierarchical payoff tree structure,

$\ell_0$  is the winning outcome that is a leaf of said hierarchical payoff tree structure,

n=player placing bet,

subbets( $\ell_k$ )=total number of tokens bet on subtrees of  $\ell_k$ ,

bets( $\ell_k$ )=total tokens bet on  $\ell_k$  itself,

wager(n,  $\ell_k$ )=total tokens bet on  $\ell_k$  by player n,

share(n,  $\ell_0$ )=wager(n,  $\ell_0$ ), and

Bonus( $\ell$ )=bonus( $\ell$ ) if subbet( $\ell$ )>0, and 0 if subbet( $\ell$ )=0.

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Claim 22 line 78 after "has concluded" insert the following: -- ; and wherein at least one of said betting events has a hierarchal pari-mutuel style payoff tree structure, said hierarchal pari-mutuel style payoff tree structure comprising: said hierarchical betting event having at least two primary outcomes, at least one of said primary outcomes in said hierarchical betting event having at least two secondary outcomes, such that whenever one of said secondary outcomes is a winning bet, one of said primary outcomes is also a winning bet, and wherein winning bets placed on said secondary outcomes receive a higher pari-mutuel style payoff than winning bets placed on said primary outcomes; wherein at least one of said secondary outcomes in said hierarchical betting event has at least two tertiary outcomes, such that whenever one of said tertiary outcomes is a winning bet, one of said secondary outcomes and one of said primary outcomes are also a winning bet, and wherein winning bets placed on said tertiary outcomes receive a higher parimutuel style payoff than winning bets placed on said secondary outcomes; wherein at least one of said tertiary outcomes in said hierarchical betting event has at least two quaternary outcomes, such that whenever one of said quaternary outcomes is a winning bet, one of said tertiary outcomes, one of said secondary outcomes, and one of said primary outcomes are also a winning bet, and wherein winning bets placed on said quaternary outcomes receive a higher parimutuel style payoff than winning bets placed on said tertiary outcomes; wherein each said hierarchical payoff in said hierarchical betting event is share  $(n, \ell_m)$

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determined through step-wise application of a recursive algorithm to said hierarchical payoff tree structure, said recursive algorithm being

$$\left[ \left[ \frac{\text{share}(n, \ell_k) = [\text{share}(n, \ell_{k-1}) [\text{subbets}(\ell_k) + \text{Bonus}(\ell_k)] + [\text{bets}(\ell_{k-1}) + \text{subbets}(\ell_{k-1}) + \text{Bonus}(\ell_{k-1})] + \text{wager}(n, \ell_k)}{\text{bets}(\ell_{k-1}) + \text{subbets}(\ell_{k-1}) + \text{Bonus}(\ell_{k-1}) + \text{wager}(n, \ell_k)} \right] \right]$$

$$\text{share}(n, \ell_k) = [\text{share}(n, \ell_{k-1}) [\text{subbets}(\ell_k) + \text{Bonus}(\ell_k)] + [\text{bets}(\ell_{k-1}) + \text{subbets}(\ell_{k-1}) + \text{Bonus}(\ell_{k-1})] + \text{wager}(n, \ell_k)$$

wherein

$\ell_k$  is the outcome whose sub-outcome is  $\ell_{k-1}$ ,

$k$  takes values 1, 2, 3 . . .  $m$ ,

$m$  is the number of branches outcome,  $\ell_0$  is from a base of said hierarchical payoff tree structure,

$\ell_0$  is the winning outcome that is a leaf of said hierarchical payoff tree structure,

$n$ =player placing bet,

$\text{subbets}(\ell_k)$ =total number of tokens bet on subtrees of  $\ell_k$ ,

$\text{bets}(\ell_k)$ =total tokens bet on  $\ell_k$  itself,

$\text{wager}(n, \ell_k)$ =total tokens bet on  $\ell_k$  by player  $n$ ,

$\text{share}(n, \ell_0)$ = $\text{wager}(n, \ell_0)$ , and

$\text{Bonus}(\ell)$ = $\text{bonus}(\ell)$  if  $\text{subbet}(\ell)>0$ , and 0 if  $\text{subbet}(\ell)=0$ .

--

Claim 52 line 42 after "has concluded" insert the following : -- ; and wherein at least one of said betting events has a hierarchal pari-mutuel style payoff tree structure, said hierarchal pari-mutuel style payoff tree structure comprising: said hierarchical betting event having at least two primary outcomes, at least one of said primary outcomes in said hierarchical betting event having at least two secondary outcomes, such that whenever one of said secondary outcomes is a winning bet, one of said primary outcomes is also a winning bet, and wherein winning bets placed on said

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secondary outcomes receive a higher pari-mutuel style payoff than winning bets placed on said primary outcomes; wherein at least one of said secondary outcomes in said hierarchical betting event has at least two tertiary outcomes, such that whenever one of said tertiary outcomes is a winning bet, one of said secondary outcomes and one of said primary outcomes are also a winning bet, and wherein winning bets placed on said tertiary outcomes receive a higher parimutuel style payoff than winning bets placed on said secondary outcomes; wherein at least one of said tertiary outcomes in said hierarchical betting event has at least two quaternary outcomes, such that whenever one of said quaternary outcomes is a winning bet, one of said tertiary outcomes, one of said secondary outcomes, and one of said primary outcomes are also a winning bet, and wherein winning bets placed on said quaternary outcomes receive a higher parimutuel style payoff than winning bets placed on said tertiary outcomes; wherein each said hierarchical payoff in said hierarchical betting event is share  $(n, \ell_m)$  determined through step-wise application of a recursive algorithm to said hierarchical payoff tree structure, said recursive algorithm being

$$\left[ \left[ \frac{\text{share}(n, \ell_k) = [\text{share}(n, \ell_{k-1}) [\text{subbets}(\ell_k) + \text{Bonus}(\ell_k)]] +}{[\text{bets}(\ell_{k-1}) + \text{subbets}(\ell_{k-1}) + \text{Bonus}(\ell_{k-1})] + \text{wager}(n, \ell_k)} \right] \right]$$

$$\text{share}(n, \ell_k) = [\text{share}(n, \ell_{k-1}) [\text{subbets}(\ell_k) + \text{Bonus}(\ell_k)]] + [\text{bets}(\ell_{k-1}) + \text{subbets}(\ell_{k-1}) + \text{Bonus}(\ell_{k-1})] + \text{wager}(n, \ell_k)$$

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wherein

 $\ell_k$  is the outcome whose sub-outcome is  $\ell_{k-1}$ , $k$  takes values 1, 2, 3 . . .  $m$ , $m$  is the number of branches outcome,  $\ell_o$  is from a base of said hierarchical payoff tree structure, $\ell_o$  is the winning outcome that is a leaf of said hierarchical payoff tree structure, $n$ =player placing bet, $\text{subbets}(\ell_k)$ =total number of tokens bet on subtrees of  $\ell_k$ , $\text{bets}(\ell_k)$ =total tokens bet on  $\ell_k$  itself, $\text{wager}(n, \ell_k)$ =total tokens bet on  $\ell_k$  by player  $n$ , $\text{share}(n, \ell_o)$ = $\text{wager}(n, \ell_o)$ , and $\text{Bonus}(\ell)$ = $\text{bonus}(\ell)$  if  $\text{subbet}(\ell)>0$ , and 0 if  $\text{subbet}(\ell)=0$ .

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Claims 8-11 canceled.

Claims 38-41 canceled.

Claims 61-64 canceled.

***Allowable Subject Matter***

Claims 1-7,13-37,43-60,66-75 are allowed renumbered 1-60.

The following is an examiner's statement of reasons for allowance: While the prior art of record does disclose making wagering on events in various sporting events. The prior art or record lacks in disclosing a hierarchical pari-mutuel payoff tree with a structure in which the betting event has two primary outcomes and the primary outcomes have two secondary outcomes, such that whenever one of the secondary outcomes is a winning bet, one of the primary outcomes is also a winning bet and that

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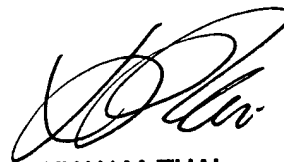
the winning bets placed on the secondary outcomes receive a higher pari-mutuel style payoff than winning bets placed on the primary outcomes.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Alan Cross whose telephone number is 571-272-5529. The examiner can normally be reached on 8-4 M-F.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Xuan Thai can be reached on 571-272-7147. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



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